Journey towards a new MacGregor
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MacGregor – leader in maritime cargo and load handling

MacGregor shapes the offshore and marine industries by offering world-leading engineering solutions and services with a strong portfolio of brands. Shipbuilders, owners and operators are able to optimise the lifetime profitability, safety, reliability and environmental sustainability of their operations by working in close cooperation with MacGregor.

* Excluding restructuring costs
** LTM = Last 12 months (Q2 2017 – Q1 2018)
We are an active leader in all maritime segments

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<td>Ferry</td>
<td>Oil &amp; Gas</td>
<td>Research</td>
<td>Naval &amp; Military Supplies Logistics</td>
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<td>Bulk cargo</td>
<td>Cruise</td>
<td>Renewables</td>
<td>Fishery</td>
<td>Naval &amp; Military Operations Support</td>
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<td>Aquaculture</td>
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<td>Liquid cargo</td>
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<td>Mining</td>
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<td>RoRo cargo</td>
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<td>Floating structures</td>
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Lifecycle Services

Picture: Statoil

MacGregor, Helsinki 21 May 2018
We have suffered from a weak market situation

Long term contracting
Merchant ships > 2,000 gt (exc ofs and misc)
No of ships

Long term contracting
Mobile offshore units
No of units

Source: Clarksons March 2018
Merchant sector contracting forecast

Market fundamentals improving, driven by

- Positive global economic growth
- Robust world trade growth
- Merchant fleet demand/supply improving

Upward trend in merchant ship contracting, especially bulk & container segments

Intensifying environmental regulation might lead to increased demolition of non-compliant vessels around 2020

Long term contracting
Merchant ships > 2,000 gt (excl ofs and misc)

World fleet growth forecast to 2030

Source: Clarksons Research, March 2018
Offshore contracting forecast – Slow recovery ahead

Bottom of cycle in 2017 with positive fundamentals (oil price, FID) but recovery challenged

Vessel oversupply remains due to laid up vessels reactivated due to higher oil price

- Production units and special construction units more positive

Brent crude now ~$75/bbl - industry forecasts the range to stay at $60-65/bbl range for 2018-20

Source: Clarksons Research, March 2018
Operating profit still at black due to successful cost management

Ongoing cost savings programme:
EUR 13 million announced on 9 November
- Reducing 170 full-time equivalents globally
- Reorganisation of operations
- Savings of EUR 4.5 million in Q1/18

Operating profit still at black due to successful cost management

Year 2017 figures have been restated according to IFRS 15

*Excluding restructuring costs
Long-lead business: Around half of the order book (Q1/18) to be recognised 2019 or later

Lead time from a ship contract to MacGregor order around 6-18 months

MacGregor equipment orders fully recognised as revenue typically in 6-18 months

Offshore’s share around 30% of order backlog

RoRo and Container types biggest out of merchant sector
M&A activity
Acquisition of Rapp Marine to strengthen Fishery and Research segments

Acquisition closed on 5 February 2018

A positive start fulfilling the expectations of our business case and plans

Q1/18 sales around EUR 8 million

Synergy and functional integration proceeding according to the plan

- Benefits of the MacGregor purchasing power in the supply chain

Adding Rapp Marine to the existing fishery business creates a new platform for future growth

- Service business growth potential
Fishing vessels market outlook is positive

Fleet size is mostly driven by fishing quotas
Fleet renewal ongoing to replace the ageing fleet
Floating fish farming is a growing market
Newbuild deliveries are expected to rise from ~175 vessels in the period 2016-2020 to ~350 vessels per year in the period 2031-2035
Service degree and responsiveness are critical success factors in the fishery market
The technology trend is moving towards electrically driven systems where **Rapp Marine has a leading position**
Acquisition of TTS marine and offshore business

Strategic rationale

Service growth potential

Strengthening MacGregor’s position also in China

Based on preliminary estimates, potential cost synergies are estimated to be around EUR 30-35 million on annual level

Overview of the acquired businesses

Employs 900 people

Sales approximately EUR 211 million in 2017*

Services 26% of revenues

Acquisition

Acquired businesses represent around 90% of total sales of TTS Group

Enterprise value EUR 87 million

The acquisition is subject to regulatory approvals from competition authorities

*The presented TTS business financial figures are calculated based on full consolidation, but their actual impact on Cargotec's financials is subject to applied post-acquisition consolidation method of the joint ventures included in the acquisition.
TTS product portfolio

RoRo, Cruise & Navy

Container, Bulk & Tank Vessels

Multipurpose & General Cargo

Offshore Vessels

Services
TTS transaction proceeding as expected

8 February  Asset Sale Agreement signed for the acquisition of TTS’ assets (except for TTS Group ASA and its subsidiary TTS Syncrolift AS)

12 March  TTS shareholder approval

May  Regulatory filings being submitted

May–Sept  Response to regulatory requests for information

Q3  Regulatory approvals expected to be received in all jurisdictions

Q3  Estimated transaction completion
Strengthening our position in China

China is the leading shipbuilding country in the world with determination to further strengthen its global position.

China State Shipbuilding Corporation (CSSC) and China Shipbuilding Industry Corporation (CSIC) are the two major state-owned shipbuilding companies.

In April 2018, MacGregor opened its first joint venture with a state-owned enterprise: CSSC Nanjing Luzhou MacGregor Machinery Co. Ltd.

TTS has a strong position through three strategic joint ventures – partnering with both CSSC and CSIC.
R&D supporting future opportunities
MacGregor Smart: progressing with digitalisation

Gather data

<table>
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<th>Equipment connectivity</th>
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<tbody>
<tr>
<td>- Common structure of connecting MacGregor equipment</td>
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<tr>
<td>- Data transfer to Macgregor Cloud</td>
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<table>
<thead>
<tr>
<th>Maritime Data Engine</th>
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<tbody>
<tr>
<td>- Data distribution software enabling collection, normalisation and transfer of data</td>
</tr>
<tr>
<td>- Interaction with third party systems</td>
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Utilise data

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<th>OnWatch Scout</th>
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<tr>
<td>- Condition monitoring</td>
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<tr>
<td>- Predictive maintenance</td>
</tr>
<tr>
<td>- Increases reliability and efficiency of MacGregor equipment</td>
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<table>
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<tr>
<th>Breakbulk Planning Tool</th>
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<tr>
<td>- Smart planning of stowage and loading/unloading of break bulk cargo vessels</td>
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<tr>
<td>- Increases loading capacity and efficiency</td>
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<td>- Improves customers’ operational efficiency</td>
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Aim to grow service business

Merchant sector service sales relatively stable, offshore still in slight decline

Highlights in 2018
- Design to service launched, lifecycle focus
- Poland support centre performance improving, over 50% of quotes handled in 24 hours
- Launched new product line of MacGregor green lubricants
- High focus on advanced/digital service offerings

Service sales, merchant and offshore

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Merchant</th>
<th>Offshore</th>
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<tbody>
<tr>
<td>Q1/16</td>
<td>55.1</td>
<td></td>
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<tr>
<td>Q2/16</td>
<td>56.2</td>
<td></td>
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<tr>
<td>Q3/16</td>
<td>53.4</td>
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<tr>
<td>Q4/16</td>
<td>55.8</td>
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<tr>
<td>Q1/17</td>
<td>51.5</td>
<td></td>
</tr>
<tr>
<td>Q2/17</td>
<td>52.1</td>
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<tr>
<td>Q3/17</td>
<td>48.3</td>
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<tr>
<td>Q4/17</td>
<td>53.0</td>
<td></td>
</tr>
<tr>
<td>Q1/18</td>
<td>49.4</td>
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MERUR
Q1/16  Q2/16  Q3/16  Q4/16  Q1/17  Q2/17  Q3/17  Q4/17  Q1/18

0  10  20  30  40  50  60

MacGregor, Helsinki
Global Product Support Centre (GPSC) in Gdańsk – all transactional activities for spare parts in single location

As part of service business transformation, transactional activities from seven locations have been moved to Gdańsk

GPSC was opened in May 2017 and it now employs around 80 people

Goal is to harmonise processes in order to better utilise resources and to increase efficiency

Benefits: cost arbitrage, operational excellence, increased flexibility to serve customers, and better governance of processes
Customer case: Autonomous discharging cranes for bulk ships

Drivers for developing the solution:
- Cost efficiency & new revenue models
- Safety
- Sustainability

Benefits for customers:
- Safer and more efficient operation for bulkers
- Driverless operation
  - Automatic and efficient unloading of cargo
- Better working conditions for operators
Head office moved to Singapore to further strengthen our footprint in Asia

Singapore is a strong international maritime hub
Our goal is to be closer to our customers and suppliers
- More than 75% of global shipbuilding takes place in Asia
- Major part of our suppliers also based in Asia
Finnish Industrial Days in Singapore 30 October
Presentation given by Michel van Roozendaal and Bromma’s SVP Peter Cederholm

Visit to a port nearby